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**Director: Local Government Implementation
Auditing Profession Bill
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Dear Sirs

RE: Draft Auditing Profession Bill 2004 – The Rotation of Auditors

We refer to your request for written submissions on the draft bill.

The rotation of Audit Partners is recognized by the International Federation of Accountants as a safeguard to respond to the threat proximity poses to independence.

We believe that the proposal of a four year period would jeopardise the quality and effectiveness of an audit. The proposal does not align with best practice established under the Code of Ethic of the International Federation of Accountants or the period of audit partner rotation established by the PCAOB or proposed in the draft 8th Directive in the European Union.

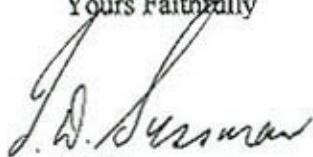
This requirement also conflicts with requirements established by some Public Entities and those established by the Registrar of Banks.

In the lights of the comments above we recommend the following changes:

- Requirements regarding the rotation of Audit Partners should be set by the Standard Setting Board for Ethics rather than by inclusion in legislation.
- The rotation requirements should deal with the various roles partners play on audits. More onerous set of requirements could be applied to partners who participate in the audit of Public Interest Entities.

- The rotation period should align with requirements of the International Federation of Accountants, which requires rotation of the audit engagement partner after a continuous period of 7 years on the audit of a Public Interest Entity, with a 2 year "cooling off" period.

Yours Faithfully

A handwritten signature in dark ink, appearing to read "I D Sussman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

I D Sussman
Executive Chairman